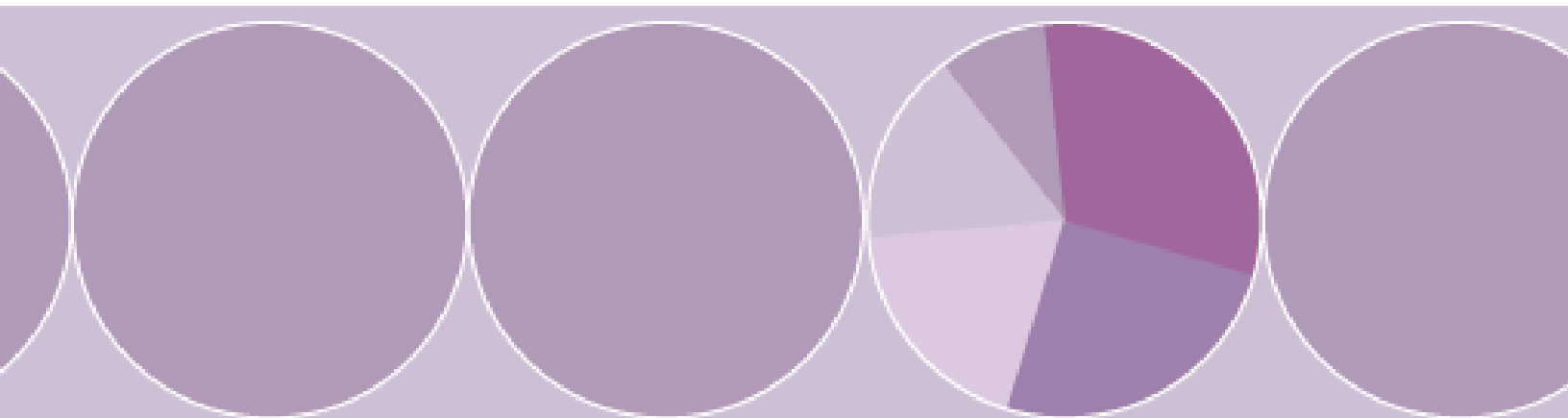




**WHERE KNOWLEDGE IS POWER**

## IBISWorld Company Report

### Netflix, Inc.



#### DISCLAIMER

This product has been supplied by IBISWorld Inc ('IBISWorld') solely for use by its authorized licenses strictly in accordance with their license agreements with IBISWorld. IBISWorld makes no representation to any person with regard to the completeness or accuracy of the data or information contained herein, and it accepts no responsibility and disclaims all liability (save for liability which cannot be lawfully disclaimed) for loss or damage whatsoever suffered or incurred by any other person resulting from the use of, or reliance upon, the data or information contained herein. Copyright in this publication is owned by IBISWorld Inc. The publication is sold on the basis that the purchaser agrees not to copy the material contained within it for other than the purchaser's own purposes. In the event that the purchaser uses or quotes from the material in this publication - in papers, reports, or opinions prepared for any other person - it is agreed that it will be sourced to: IBISWorld Inc.

# Contents

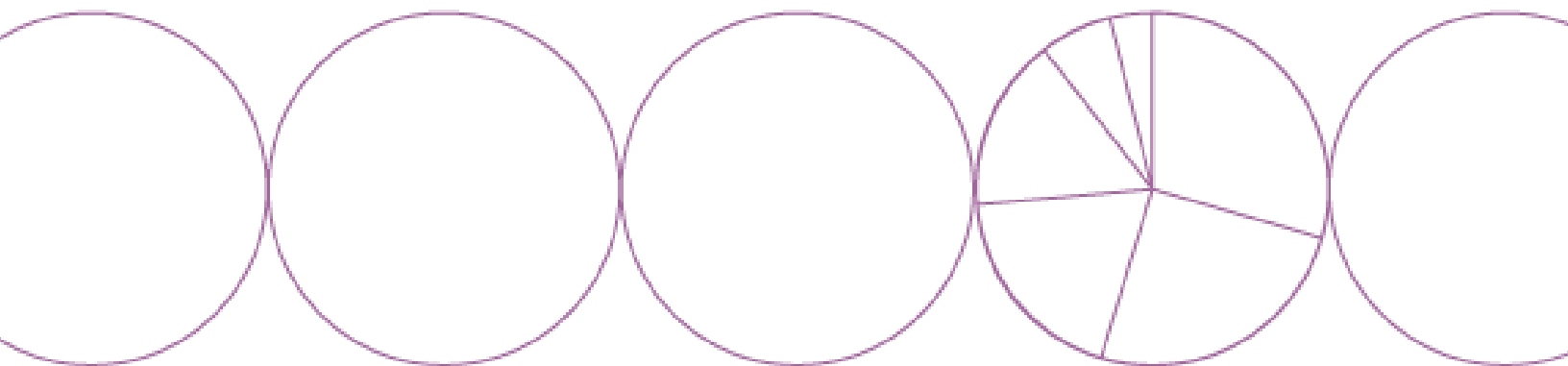
Details ..... 3

Personnel ..... 4

Business Segments & NAICS Codes ..... 5

Financials - Annual ..... 6

Financials - Quarterly ..... 8



## Details

| Company Details             |   |
|-----------------------------|---|
| Short Name                  | Netflix, Inc.   |
| Company Name                | Netflix, Inc.   |
| Ticker Symbol               | NFLX  |
| Exchange                    |   |
| Central Index Key (CIK)     | 0001065280  |
| Domicile Country            | United States   |
| Chief Executive Officer     | Reed Hastings   |
| Number of Employees         | 1883  |
| Primary Industry NAICS Code | 532230  |
| Business Description        | The Company is an online movie rental subscription service with more than 10 million subscribers. |

| Company Contact Details |                       |
|-------------------------|-----------------------|
| STREET ADDRESS          |                       |
| Floor                   | 100 Winchester Circle |
| Street                  |                       |
| City                    | Los Gatos             |
| State                   | CA                    |
| Zip                     | 95032                 |
| Telephone Number        | (408) 540-3700        |
| Facsimile Number        | (408) 540-3737        |
| Internet Web Address    | www.netflix.com       |

## Personnel

| Board Member/Officer Full Name | Title   |
|--------------------------------|---|
| A. George (Skip) Battle        | Director *  |
| Charles H. Giancarlo           | Director *  |
| Gregory S. Stanger             | Director *  |
| Jay C. Hoag                    | Director *  |
| Leslie J. Kilgore              | Other Executive Officer *                           |
| Michael N. Schuh               | Director *  |
| Neil Hunt                      | Other Executive Officer *                           |
| Patty McCord                   | Other Executive Officer *                           |
| Reed Hastings                  | CEO/Chairman of the Board/President/Director *      |
| Richard N. Barton              | Director *  |
| Ted Sarandos                   | Other Executive Officer/Vice President, Divisional* |
| Timothy M. Haley               | Director *  |
| W. Barry McCarthy, Jr.         | CFO *   |

\* Appointed to the Board of Directors

As at: 1 December, 2009

Data provided by Hemscott

## Business Segments & NAICS Codes

| Business Segment Description | Fiscal Year End Date | Sales<br>USD Million | Operating Income<br>USD Million | Total Assets<br>USD Million | Equity<br>USD Million |
|------------------------------|----------------------|----------------------|---------------------------------|-----------------------------|-----------------------|
| Video Tape Rental            | Dec-01-2009          | 1,670.3              | 198.7                           | 679.7                       | 199.1                 |

### NAICS Codes

|  |
|--|
| Primary Industry NAICS Code                |
| 53223 - DVD, Game & Video Rental in the US |
| Other Industry NAICS Codes                 |
| Not applicable.                            |

## Financials - Annual

| Fiscal Year End Date                              | Dec 2009    | Dec 2008    | Dec 2007    | Dec 2006    | Dec 2005    |
|---|-------------|-------------|-------------|-------------|-------------|
| Currency Units                                    | USD Million | USD Million | USD Million | USD Million | USD Million |
| <b>INCOME STATEMENT</b>                           |             |             |             |             |             |
| Operating Revenue                                 | 1670.3      | 1364.7      | 1205.3      | 996.7       | 682.2       |
| Adjustments to Revenue                            | 0           | 0           | 0           | 0           | 0           |
| Cost of Sales                                     | 820         | 667.4       | 561.2       | 469.8       | 357.5       |
| Gross Operating Profit                            | 850.3       | 697.3       | 644.2       | 526.8       | 324.7       |
| R & D Expense                                     | 114.5       | 89.9        | 71.4        | 48.4        | 30.9        |
| Selling, Gen. & Administrative Expense            | 289.1       | 249.4       | 270.8       | 261.7       | 185.7       |
| <b>EBITDA</b>                                     | 446.6       | 358         | 302         | 216.8       | 108         |
| Depreciation & Amortization                       | 259.3       | 242.8       | 225         | 157.1       | 107         |
| Operating Income After Depreciation               | 187.4       | 115.2       | 77          | 59.6        | 1           |
| Interest Income                                   | 6.7         | 12.5        | 20.3        | 15.9        | 5.8         |
| Other Income, Net                                 | 4.6         | 6.3         | 7.2         | 4.8         | 2           |
| Special Income/Charges                            | 0           | 0           | 7           | 0           | 0           |
| <b>EBIT</b>                                       | 198.7       | 134         | 111.5       | 80.3        | 8.7         |
| Interest Expense                                  | 6.5         | 2.5         | 0           | 0           | 0.4         |
| Pre-Tax Income (EBT)                              | 192.2       | 131.5       | 111.5       | 80.3        | 8.3         |
| Income Taxes                                      | 76.3        | 48.5        | 44.5        | 31.2        | -33.7       |
| Minority Interest                                 | 0           | 0           | 0           | 0           | 0           |
| Net Income from Continuing Operations             | 115.9       | 83          | 67          | 49.1        | 42          |
| Net Income from Discontinued Operations           | 0           | 0           | 0           | 0           | 0           |
| <b>Net Income from Total Operations</b>           | 115.9       | 83          | 67          | 49.1        | 42          |
| Extraordinary Income Losses                       | 0           | 0           | 0           | 0           | 0           |
| Income from Cum. Effect of Acctg. Change          | 0           | 0           | 0           | 0           | 0           |
| Other Gains (Losses)                              | 0           | 0           | 0           | 0           | 0           |
| <b>Total Net Income</b>                           | 115.9       | 83          | 67          | 49.1        | 42          |
| Normalized Income                                 | 115.9       | 83          | 60          | 49.1        | 42          |
| Net Income Available for Common                   | 115.9       | 83          | 67          | 49.1        | 42          |
| Preferred Dividends                               | 0           | 0           | 0           | 0           | 0           |
| Dividends Paid per Share (Currency Unit: Dollars) | 0           | 0           | 0           | 0           | 0           |
| <b>BALANCE SHEET</b>                              |             |             |             |             |             |
| <b>Current Assets</b>                             |             |             |             |             |             |
| Cash and Equivalent                               | 134.2       | 139.9       | 177.4       | 400.4       | 212.3       |
| Marketable Securities                             | 186         | 157.4       | 207.7       | 0           | 0           |
| Receivables                                       | 0           | 0           | 0           | 0           | 0           |
| Inventories                                       | 37.3        | 0           | 0           | 0           | 0           |
| Other Current Assets                              | 53.4        | 64.2        | 31.4        | 28          | 31.4        |
| <b>Total Current Assets</b>                       | 411         | 361.4       | 416.5       | 428.4       | 243.7       |

|                                    |       |       |       |       |       |
|------------------------------------|-------|-------|-------|-------|-------|
| <b>Non-Current Assets</b>          |       |       |       |       |       |
| Gross Fixed Assets                 | 265.9 | 223.8 | 143.6 | 100.8 | 72.6  |
| Accumulated Depreciation           | 134.3 | 98.8  | 66.2  | 45.3  | 32.4  |
| Net Fixed Assets                   | 131.7 | 124.9 | 77.3  | 55.5  | 40.2  |
| Intangibles                        | 108.8 | 0     | 132.5 | 105.9 | 0.5   |
| Other Non-Current Assets           | 28.3  | 131.6 | 20.7  | 19    | 80.3  |
| Total Non-Current Assets           | 268.7 | 256.5 | 230.5 | 180.4 | 121   |
| Total Assets                       | 679.7 | 617.9 | 647   | 608.8 | 364.7 |
| <b>Current Liabilities</b>         |       |       |       |       |       |
| Accounts Payable                   | 91.5  | 100.3 | 104.4 | 93.9  | 63.5  |
| Short Term Debt                    | 1.4   | 1.2   | 0     | 0     | 0     |
| Other Current Liabilities          | 133.5 | 114.5 | 108.1 | 99.6  | 74.1  |
| Total Current Liabilities          | 226.4 | 216   | 212.6 | 193.4 | 137.6 |
| <b>Non-Current Liabilities</b>     |       |       |       |       |       |
| Long Term Debt                     | 236.6 | 38    | 0     | 0     | 0     |
| Deferred Income Taxes              | 0     | 0     | 0     | 0     | 0     |
| Other Non-Current Liabilities      | 17.7  | 16.8  | 3.7   | 1.1   | 0.8   |
| Minority Interest                  | 0     | 0     | 0     | 0     | 0     |
| Total Non-Current Liabilities      | 254.2 | 54.8  | 3.7   | 1.1   | 0.8   |
| Total Liabilities                  | 480.6 | 270.8 | 216.3 | 194.6 | 138.4 |
| <b>Stockholder's Equity</b>        |       |       |       |       |       |
| Preferred Stock Equity             | 0     | 0     | 0     | 0     | 0     |
| Common Stock Equity                | 199.1 | 347.2 | 430.7 | 414.2 | 226.3 |
| Common Par                         | 0.1   | 0.1   | 0.1   | 0.1   | 0.1   |
| Additional Paid in Capital         | 0     | 338.6 | 402.7 | 454.7 | 317.2 |
| Cumulative Translation Adjustments | 0     | 0     | 0     | 0     | 0     |
| Retained Earnings                  | 198.8 | 108.5 | 26.4  | -40.6 | -89.7 |
| Treasury Stock                     | 0     | -100  | 0     | 0     | 0     |
| Other Equity Adjustments           | 0.3   | 0.1   | 1.6   | 0     | -1.3  |
| Total Capitalization               | 399.1 | 347.2 | 430.7 | 414.2 | 226.3 |
| Total Equity                       | 199.1 | 347.2 | 430.7 | 414.2 | 226.3 |
| Total Liabilities & Stock Equity   | 679.7 | 617.9 | 647   | 608.8 | 364.7 |

## Financials - Quarterly

| Fiscal Year End Date                              | Dec 2009    | Sep 2009    | Jun 2009    | Mar 2009    | Dec 2008    |
|---|-------------|-------------|-------------|-------------|-------------|
| Currency Units                                    | USD Million | USD Million | USD Million | USD Million | USD Million |
| <b>INCOME STATEMENT</b>                           |             |             |             |             |             |
| Operating Revenue                                 | 444.5       | 423.1       | 408.5       | 394.1       | 359.6       |
| Adjustments to Revenue                            | 0           | 0           | 0           | 0           | 0           |
| Cost of Sales                                     | 203.7       | 208.8       | 206.9       | 200.6       | 175.5       |
| Gross Operating Profit                            | 240.8       | 214.3       | 201.6       | 193.5       | 184.1       |
| R & D Expense                                     | 33.2        | 30          | 27.1        | 24.2        | 24.1        |
| Selling, Gen. & Administrative Expense            | 84.2        | 70.1        | 59.5        | 75.3        | 66.4        |
| <b>EBITDA</b>                                     | 123.4       | 114.2       | 115         | 94          | 93.7        |
| Depreciation & Amortization                       | 71.8        | 66.4        | 62.4        | 58.7        | 57.3        |
| Operating Income After Depreciation               | 51.6        | 47.7        | 52.7        | 35.4        | 36.3        |
| Interest Income                                   | 2.4         | 1.8         | 0.9         | 1.6         | 0.9         |
| Other Income, Net                                 | 1.7         | 1.6         | 0.1         | 1.1         | 1.6         |
| Special Income/Charges                            | 0           | 0           | 0           | 0           | 0           |
| <b>EBIT</b>                                       | 55.8        | 51.1        | 53.6        | 38.1        | 38.8        |
| Interest Expense                                  | 4.5         | 0.7         | 0.7         | 0.7         | 0.7         |
| Pre-Tax Income (EBT)                              | 51.3        | 50.5        | 53          | 37.4        | 38.1        |
| Income Taxes                                      | 20.4        | 20.3        | 20.5        | 15          | 15.4        |
| Minority Interest                                 | 0           | 0           | 0           | 0           | 0           |
| Net Income from Continuing Operations             | 30.9        | 30.1        | 32.4        | 22.4        | 22.7        |
| Net Income from Discontinued Operations           | 0           | 0           | 0           | 0           | 0           |
| <b>Net Income from Total Operations</b>           | 30.9        | 30.1        | 32.4        | 22.4        | 22.7        |
| Extraordinary Income Losses                       | 0           | 0           | 0           | 0           | 0           |
| Income from Cum. Effect of Acctg. Change          | 0           | 0           | 0           | 0           | 0           |
| Other Gains (Losses)                              | 0           | 0           | 0           | 0           | 0           |
| <b>Total Net Income</b>                           | 30.9        | 30.1        | 32.4        | 22.4        | 22.7        |
| Normalized Income                                 | 30.9        | 30.1        | 32.4        | 22.4        | 22.7        |
| Net Income Available for Common                   | 30.9        | 30.1        | 32.4        | 22.4        | 22.7        |
| Preferred Dividends                               | 0           | 0           | 0           | 0           | 0           |
| Dividends Paid per Share (Currency Unit: Dollars) | 0           | 0           | 0           | 0           | 0           |
| <b>BALANCE SHEET</b>                              |             |             |             |             |             |
| <b>Current Assets</b>                             |             |             |             |             |             |
| Cash and Equivalent                               | 134.2       | 55.7        | 87.5        | 115.1       | 139.9       |
| Marketable Securities                             | 186         | 99.7        | 167.5       | 171.4       | 157.4       |
| Receivables                                       | 0           | 0           | 0           | 0           | 0           |
| Inventories                                       | 37.3        | 0           | 0           | 0           | 0           |
| Other Current Assets                              | 53.4        | 79.5        | 87.6        | 78.4        | 64.2        |
| <b>Total Current Assets</b>                       | 411         | 235         | 342.6       | 364.9       | 361.4       |



|                                    |       |        |        |        |       |
|------------------------------------|-------|--------|--------|--------|-------|
| <b>Non-Current Assets</b>          |       |        |        |        |       |
| Gross Fixed Assets                 | 265.9 | 122.1  | 120.3  | 231.4  | 223.8 |
| Accumulated Depreciation           | 134.3 | 0      | 0      | 107.6  | 98.8  |
| Net Fixed Assets                   | 131.7 | 122.1  | 120.3  | 123.8  | 124.9 |
| Intangibles                        | 108.8 | 104.5  | 100.3  | 105.4  | 0     |
| Other Non-Current Assets           | 28.3  | 30.5   | 28.8   | 34.6   | 131.6 |
| Total Non-Current Assets           | 268.7 | 257.2  | 249.4  | 263.8  | 256.5 |
| Total Assets                       | 679.7 | 492.1  | 592    | 628.7  | 617.9 |
| <b>Current Liabilities</b>         |       |        |        |        |       |
| Accounts Payable                   | 91.5  | 93.5   | 101.6  | 112.8  | 100.3 |
| Short Term Debt                    | 1.4   | 1.3    | 1.3    | 1.2    | 1.2   |
| Other Current Liabilities          | 133.5 | 108.7  | 108.3  | 112.7  | 114.5 |
| Total Current Liabilities          | 226.4 | 203.5  | 211.2  | 226.7  | 216   |
| <b>Non-Current Liabilities</b>     |       |        |        |        |       |
| Long Term Debt                     | 236.6 | 36.9   | 37.3   | 37.7   | 38    |
| Deferred Income Taxes              | 0     | 0      | 0      | 0      | 0     |
| Other Non-Current Liabilities      | 17.7  | 19.5   | 19.1   | 18     | 16.8  |
| Minority Interest                  | 0     | 0      | 0      | 0      | 0     |
| Total Non-Current Liabilities      | 254.2 | 56.4   | 56.4   | 55.7   | 54.8  |
| Total Liabilities                  | 480.6 | 259.9  | 267.6  | 282.4  | 270.8 |
| <b>Stockholder's Equity</b>        |       |        |        |        |       |
| Preferred Stock Equity             | 0     | 0      | 0      | 0      | 0     |
| Common Stock Equity                | 199.1 | 232.2  | 324.4  | 346.3  | 347.2 |
| Common Par                         | 0.1   | 0.1    | 0.1    | 0.1    | 0.1   |
| Additional Paid in Capital         | 0     | 378.5  | 375.6  | 358.6  | 338.6 |
| Cumulative Translation Adjustments | 0     | 0      | 0      | 0      | 0     |
| Retained Earnings                  | 198.8 | 193.4  | 163.3  | 130.8  | 108.5 |
| Treasury Stock                     | 0     | -340.4 | -215.3 | -142.7 | -100  |
| Other Equity Adjustments           | 0.3   | 0.6    | 0.7    | -0.4   | 0.1   |
| Total Capitalization               | 399.1 | 232.2  | 324.4  | 346.3  | 347.2 |
| Total Equity                       | 199.1 | 232.2  | 324.4  | 346.3  | 347.2 |
| Total Liabilities & Stock Equity   | 679.7 | 492.1  | 592    | 628.7  | 617.9 |